

Fifty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2368

Introduced by

Senators Cook, Fischer, J. Lee

Representatives Clark, R. Kelsch, Porter

1 A BILL for an Act to create and enact two new sections to chapter 40-23 of the North Dakota
2 Century Code, relating to audits of special assessments when costs exceed estimates and
3 future assessments on annexed property; and to provide an effective date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 40-23 of the North Dakota Century Code is
6 created and enacted as follows:

7 **Audit of certain special assessment improvements.** If the costs of an improvement
8 determined and assessed under section 40-23-07 or 40-23.1-04 exceeds the costs of the work
9 as contained in the engineer's estimate under section 40-22-10 by seventy percent or more, the
10 governing body of the city shall secure an audit of all costs included in the assessment for the
11 project, prepared in accordance with generally accepted auditing standards. The audit report
12 must include a separate statement of the engineer's estimate of the cost of the work, the actual
13 cost of the work, the cost of extra work, engineering fees, fiscal agents' fees, attorneys' fees,
14 publication costs, warrant printing costs, interest costs, and each separate item of expense
15 incurred in making the improvement and levying the assessment for the improvement. The city
16 shall make a copy of the audit report available without charge to any person who requests a
17 copy. The audit report is not required if the costs of an improvement exceed the costs of the
18 work as contained in the engineer's estimate by seventy percent or more because of a petition
19 to enlarge the district under section 40-22-09 or a request for additional work within the district
20 by the owners of a majority of the area of the property in the district. Audit and copying
21 expenses under this section must be paid by the city and may not be paid from special
22 assessment funds.

23 **SECTION 2.** A new section to chapter 40-23 of the North Dakota Century Code is
24 created and enacted as follows:

1 **Future assessments on annexed property.** The special assessment commission
2 shall prepare and file with the city auditor a list of estimated future assessments on property
3 located outside the corporate limits of the city at the time of contracting for an improvement but
4 which the special assessment commission determines is potentially benefited by the
5 improvement and likely to be annexed to the city.

6 **SECTION 3. EFFECTIVE DATE.** This Act is effective for special assessment
7 improvement projects for which a resolution of necessity is adopted after July 31, 2003.